

COMMITTEE ON ARMED SERVICES

COMMITTEE ON
EDUCATION AND THE WORKFORCE

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

CHAIRMAN, SUBCOMMITTEE ON THE COAST
GUARD AND MARITIME TRANSPORTATION



Duncan Hunter
U.S. House of Representatives
50th District, California

June 29, 2017

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The Honorable Scott Pruitt
Administrator
United States Environmental Protection Agency
William Jefferson Clinton Federal Building
1200 Pennsylvania Ave., NW
Washington, DC 20460

Dear Administrator Pruitt:

Rules went into effect in 2013 and 2015 requiring the use of low-sulfur fuels or scrubbers in the North American Emission Control Area (ECA). The ECA consists largely of the United States and Canadian Exclusive Economic Zones, excluding the Arctic.

Under the previous Administration, the Environmental Protection Agency (EPA) had been unwilling to consider the substantial economic burden the ECA implementation placed on U.S. industry and showed a selective willingness to work with industry sectors to alleviate the burden in a piecemeal fashion. The EPA had been unwilling to allow vessels with smaller horsepower engines that operate in the short sea trade between the United States and Canada to achieve the goal of lower landside pollution by using lower sulfur fuel only within 50 miles of the shore—a proposal that has substantial scientific support. I urge you to reconsider this position.

Most vessels in the U.S.-Canadian short sea shipping trade are powered by engines with less than 20,000 horsepower engines and carry low-value commodities, including grains and aggregates like gypsum, salt, iron ore and coal. Many of these goods are mined in Canada and Mexico and shipped to the United States for manufacturing and infrastructure building. For example, gypsum is transported from Canada to facilities in California, Maryland and Louisiana, to name just a few locations, for the purposes of producing wallboard. National Gypsum estimates that the cost of these rules tops \$12 million per year just for that one company. This cost is passed on to consumers and will result in a turn toward greater reliance on Chinese wallboard, resulting in lost U.S. jobs.

Due to their size and ports of call, short sea vessels operate almost exclusively within the ECA. I understand that no scientific rationale has established a relationship between the emission from these vessels and onshore sulfur dioxide levels. I further understand that industry submitted scientific studies to EPA concluding that the use of low sulfur fuels only when operating within 50 miles of shore, rather than the entire ECA, shows no net change in sulfur dioxide levels.

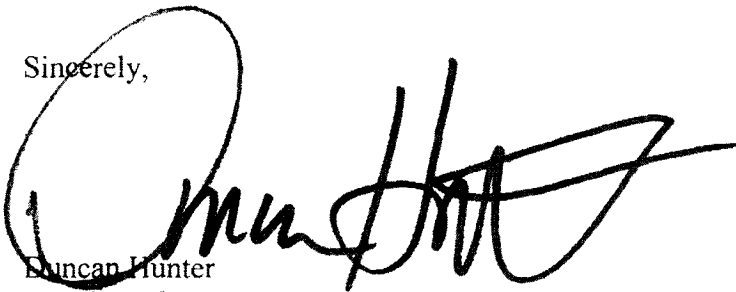
I have concerns that these rules will cause transportation costs to rise. As a result, modal shift will be enticing for industry, luring goods off the seas and onto rail and trucks. One short sea ship can carry the equivalent of approximately 2,000 heavy trucks. As such, I am concerned about the ramifications of this rule on our infrastructure network and about the unintended environmental consequences of shifting goods from sea to land.

Applying the low sulfur fuel standard to engines smaller than 20,000 horsepower only when those vessels are operating within 50 miles of shore would lead to significant cost savings, and increased competitiveness of U.S. products and exports.

It appears the implementation of a 50 mile rule for certain vessels may preserve the intent of the ECA and not disrupt an established transportation system that is critical to our nation's economy.

I strongly urge you to review and revise or reject these rules.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Duncan Hunter', is written over the printed name.

Duncan Hunter
Member of Congress